

RADIO ONE

THE URBAN MEDIA SPECIALIST

Linda J. Vilardo

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Via ECFS

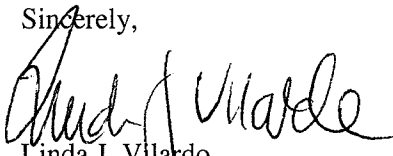
Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, Southwest
Washington, DC 20554

Re: Notice of *Ex Parte* Presentation
MB Docket No. 07-57

Dear Ms. Dortch:

As previously reported via letter dated October 8, 2008, Radio One, Inc. notified the Commission that on October 7, 2008, Alfred C. Liggins, Chief Executive Officer and President of Radio One, Inc. and Linda Vilardo, Chief Administrative Officer of Radio One, Inc. met with Chairman Martin and Michelle Carey to discuss pending issues raised in the above-referenced proceeding. In particular, Mr. Liggins proposed a process by which Qualified Entities could be selected to lease channels from Sirius XM. The process proposed by Radio One, Inc. is described in the attached memorandum.

Sincerely,



Linda J. Vilardo
Chief Administrative Officer

cc: The Honorable Kevin Martin
Michelle M. Carey

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Memorandum

Overview

The FCC released a *Memorandum Opinion and Order and Report and Order* (hereinafter referred to as “MO/RO”) on August 5, 2008, approving the transfer of control of the licenses held by XM Satellite Radio Holdings Inc. to Sirius Satellite Radio Inc. In connection with the transfer, the parties voluntarily agreed to lease to a Qualified Entity or Entities a minimum of four percent of the full-time audio channels on the Sirius platform and on the XM platform, respectively (which currently represents six channels on the Sirius platform and six channels on the XM platform). A Qualified Entity is defined in this proceeding as any entity that is majority-owned by persons who are African American, not of Hispanic origin; Asian or Pacific Islanders; American Indians or Alaskan Natives; or Hispanics. The Qualified Entity or Entities will not be required to make any lease payments for such channels and the combined company of Sirius XM will not be involved in the selection of the Qualified Entity or Entities. Furthermore, the combined company will have no editorial control over these channels.

In the MO/RO, the Commission stated that it would determine the implementation details for use of these channels at a later date. The MO/RO also requires that Sirius XM enter into such leases within four months of the consummation of the merger. The merger occurred on July 29. Thus, the selection of the entities and final lease agreements must be completed by November 29, absent an extension.

Goals of the Commission

The Commission will want to make sure that its selection process and results achieve the following goals:

- Create a simple application and selection process
- Select programmers with sufficient financial capability to provide the proposed service
- Select programmers who in total will provide a broad diversity of programming across the 12 channels
- Minimize the chances that an appeal of the selection process will occur and/or be successful

General Application Process

- Applicant must complete a simple application
- Applicant must submit application by a certain deadline
- Applicant must commit to deliver programming consistent with the broadcast industry’s technical standards
- Applicant must commit to monitoring its programming for compliance with all applicable laws
- Applicant must commit to indemnify Sirius XM for any lapses in compliance

General Approach

Sirius XM has agreed to lease 12 channels, six on each of the satellite services. The channels would be divided into two groups.

The first group would consist of three channels on Sirius that would be deemed Super Channels. The programming provided on the three Super Channels would be simulcast on three channels on XM.

The second group would consist of the remaining six channels, three on Sirius and three on XM. These six channels would carry separate and distinct programming that would not be simulcast. It is likely that no one entity in this second group would have a channel fulltime. Instead, the six channels would create an opportunity to provide national programming that is important to minority communities but does not have widespread support and therefore can not be sustained as a 24/7 operation.

The advantage of this approach is to achieve two goals: (i) to provide a well-financed 24/7 operation which has the ability to create and to access programming and make it available on the Super Channels and (ii) to provide a wide variety of programming to meet the interests of as many minority groups as possible through the remaining six channels.

Criteria for Awarding Super Channels

Each entity awarded a Super Channel would have to:

- Propose to serve the Black, Hispanic or Asian audience
- Certify that the applicant has a proven track record as a broadcaster
- Certify that the applicant has a national platform through ownership or operation of stations in at least 10 different geographic markets
- Commit to a five-year lease term
- Satisfy the requirements for a Qualified Entity, meaning an entity with 51% voting power in the hands of minorities
- Propose 24/7 operation
- Certify that the applicant has sufficient financial resources to provide the programming on a 24/7 basis
- Not currently operate a channel on either Sirius or XM

Method of Awarding Super Channels

One of the three Super Channels would be awarded to each of the three largest minority groups -- Black, Hispanic and Asian -- because of the significant percentage that they represent of the overall national population. Those broadcasters who apply and meet the criteria above would be ranked in order according to the total national cume of the minority group that they serve. Specifically, the Super Channel would be awarded based upon the highest ratio of the broadcaster's national Arbitron Black cume rating or the

Hispanic come rating or the Asian come rating to the overall national Black or Hispanic or Asian population per the 2000 census.¹

It is unlikely that there are two entities with the same come in one of the above-referenced demographics. Therefore, this selection process employs objective criteria and does not require the Commission to consider competing applicants in choosing the three entities that will program the Super Channels.

Criteria for Awarding Six Remaining Channels

Each entity proposing time on the remaining six channels would have to:

- Propose programming to satisfy a specific minority group
- Commit to a two-year lease term²
- Satisfy the requirements for a Qualified Entity, meaning an entity with 51% voting power in the hands of minorities
- Be willing to accept less than 24/7 operation
- Certify that the applicant has sufficient financial resources to provide the programming
- Not currently operate a channel on either Sirius or XM

This approach is an effort to serve the goal of increasing participation in the industry by as many new entrants and small businesses as possible. By creating a time share arrangement the Commission will ensure that niche programming, which has narrow appeal and thus is not financially viable on over the air broadcasting, has a national outlet.

Method of Awarding Six Remaining Channels

If there are six qualified applicants, then each applicant would get a channel and would be permitted to broadcast 24 hours per day, although the applicant would only be required to broadcast a minimum of 18 hours per day.

If there are 36 qualified applicants, then the time on the six channels would be allocated equally in four hour blocks.³

If there are more than six qualified applicants but less than 36 qualified applicants, then the time on the six channels would be allocated in at least four hour blocks with a number of applicants provided the opportunity to broadcast more than four hours per day. Those applicants permitted to broadcast more than four hours a day would be selected randomly

¹ Radio One meets the requirements for leasing a Super Channel and would apply.

² We would propose that the process for selecting these six channels be repeated every two years to allow for new entrants.

³ A minimum four-hour block of time is suggested because that is the typical day part for broadcast operations.

by lottery. So, for example, if there were only 30 qualified applicants and each applicant is guaranteed a four hour block, then there would be an additional 168 hours available for programming. The Commission would randomly select six of the 30 applicants and award each of them one additional four hour per day block of time.

If there are more than 36 qualified applicants then the 36 applicants would be selected randomly by lottery and each applicant selected would be awarded a daily four hour block of programming.

The advantage of this method is that other than initially taking bids and setting the parameters, the Commission does not have to exercise any discretion as to who will be awarded time on a channel.

In addition, the channel and day part on that channel to which the applicant is assigned would be made randomly by lottery but, in all cases, the Commission should require that Sirius XM use its best efforts to group like programming on the same channel.